



## **Middletown Police Department**

222 Main Street  
Middletown, CT 06457  
Phone: 860-638-4011  
Fax: 860-343-8022

**Lieutenant Heather Desmond**  
Email: [Heather.Desmond@MiddletownCT.gov](mailto:Heather.Desmond@MiddletownCT.gov)

---

November 20, 2015

### **Press Release: Middletown Police Officer breaks open a multimillion dollar mortgage fraud scam**

December 5, 2013, Officer Robert Kraeger, of the Middletown Police Department, was assigned to investigate a case on Omo Street where an older female was led to believe that she was selling her home via a broker and relieved of all responsibility financially. This case has developed into a statewide investigation involving the IRS and the FBI.

Officer Kraeger was reassigned to the detective bureau for a short period of time given the information that was uncovered. The main suspect, Timothy Burke, met with the victim and had her fraudulently sign over her property to him for future sale. He then turned around and rented the property for cash. Several months later, the victim was contacted by her mortgage company and informed that she was still responsible for the property as no transaction had taken place. Officer Kraeger uncovered details about the suspect including numerous other properties that he defrauded victims out of around the state of Connecticut. He also learned that he had served federal time in the state of New Jersey for the same violations. This suspect has illegally earned hundreds of thousands of dollars in this fashion over time.

Middletown's case was reviewed by the IRS and FBI, they agreed to take Officer Kraeger's initial case and use it to begin their own investigation into Mr. Burke.

On November 19, 2015 Timothy Burke was arrest by the Department of Justice, U.S. Attorney's Office.

See press release below.

*"To proudly serve in partnership with the community through a commitment to excellence, professionalism and integrity"*

**Department of Justice**

U.S. Attorney's Office

District of Connecticut

---

FOR IMMEDIATE RELEASE

Thursday, November 19, 2015

**Easton Man Charged with Defrauding Distressed Homeowners**

Deirdre M. Daly, United States Attorney for the District of Connecticut, Christina Scaringi, Special Agent in Charge of the Northeast Region of HUD's Office of Inspector General, William P. Offord, Special Agent in Charge of IRS Criminal Investigation in New England, and James V. Buthorn, Acting Inspector in Charge for the Boston Division of the U.S. Postal Inspection Service, announced that **TIMOTHY W. BURKE**, also known as "Tim Burke," "William Burke," "Bill Burke," "Jeff Burke," "Kerry Saunders," "Pat Riley," "Jim Caldwell," "Jim Saunders," "Tom Morrissey," "Jimmy," "Phil Burke," "Phil," and "Burt," 64, of Easton, was arrested today on a federal criminal complaint charging him with operating a long-running fraud scheme that targeted distressed homeowners.

BURKE appeared this afternoon before U.S. Magistrate Judge Sarah A. L. Merriam in New Haven and is detained. A detention hearing is scheduled for Monday, November 23, at 11:15 a.m.

As alleged in the criminal complaint, since at least May 2008 and continuing to at least September 2015, BURKE engaged in a scheme to defraud individuals, mortgage lenders and the U.S. Department of Housing and Urban Development (HUD) by falsely representing to homeowners who were in, or facing, foreclosure on their homes that he would purchase their homes and pay off their mortgages. The distressed homeowners agreed to sign various documents, including quitclaim deeds, indemnification agreements, management agreements and third party authorization letters, which BURKE presented to them on the understanding that, by signing the documents, they would be able to walk away from their homes without the burdens of their mortgage or other costs associated with home ownership. BURKE also told homeowners that the process of negotiating with the lenders can take time and that, in the meantime, to ignore any notices regarding foreclosure. After he gained control of these houses, BURKE rented out the properties to tenants by advertising the properties on craigslist.com and other means and falsely representing to tenants that BURKE owned the property.

The complaint further alleges that BURKE or one of his agents then collected rent from tenants, in person, and BURKE used the funds for his own benefit. BURKE failed to negotiate with the homeowners' mortgage lender or pay expenses associated with the home, including the homeowner's mortgages, taxes, insurance, association dues, or other expenses, and he failed to pay any rental income he was collecting to the homeowners. The investigation revealed that homeowners often discovered on their own, and to their surprise, that BURKE had rented out their houses. Many of the properties BURKE purportedly purchased were ultimately foreclosed upon by the mortgage lender.

The complaint alleges that BURKE's fraud scheme has involved dozens of residential properties throughout Connecticut, and that BURKE has made hundreds of thousands of dollars to which he was not entitled. As part of the scheme, BURKE undertook extensive efforts to disguise his true identity from his victims through the use of multiple aliases and business entities, and to conceal the sources of and expenditures from his criminal proceeds. The investigation has revealed that BURKE is associated with multiple entities, including Quality Asset Management Services, LLC; Birmingham Investments, LLC; the Birmingham Group of Companies; Saunders Associates; New Haven Investments; Realty Partners Group; Preston Associates II; Landlord Maintenance Services, LLC; Turnkey Construction Services LLC; and The Complete Handyman, LLC.

The complaint further alleges that in approximately 2002, BURKE was indicted by a federal grand jury in New Jersey on charges of conspiracy, mail fraud, and equity skimming. BURKE subsequently pleaded guilty to conspiracy to commit both equity skimming

***"To proudly serve in partnership with the community through a commitment to  
excellence, professionalism and integrity***

and mail fraud, and he was sentenced to five years imprisonment and three years of supervised release. BURKE was released from federal custody in approximately August 2007 and began his federal supervised release at that time. One of the special conditions of BURKE's supervised release was that he refrain from employment in the real estate business or mortgage industry.

The criminal complaint charges BURKE with mail fraud, an offense that carries a maximum term of imprisonment of 20 years.

U.S. Attorney Daly stressed that a complaint is only a charge and is not evidence of guilt. Charges are only allegations, and each defendant is presumed innocent unless and until proven guilty beyond a reasonable doubt.

**Individuals who believe they have been victimized by this alleged scheme and citizens with information that will be helpful to this ongoing investigation are encouraged to call 860-240-9735.**

This investigation is being conducted by the U.S. Department of Housing and Urban Development – Office of Inspector General, Internal Revenue Service – Criminal Investigation Division and U.S. Postal Inspection Service, with the critical assistance of the Middletown, Plainville, Easton and Coventry Police Departments, and the Connecticut State Police. This case is being prosecuted by Senior Litigation Counsel Richard J. Schechter and Assistant U.S. Attorney David T. Huang.

[USAO - Connecticut](#)

*"To proudly serve in partnership with the community through a commitment to excellence, professionalism and integrity"*